El Segundo Oil, LLC

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January 15, 2016

Samuel Unger Los Angeles Regional Water Quality Control Board 320 W. Fourth Street, Suite 200 Los Angeles, CA 90013 CALIFORNIA REGIONAL WATER OUALITY CONTROL BOARD

RE: El Segundo Oil, LLC, Submittal of Statement
LARWQCB Investigative Order No. R4-2015-0436
The Disposal of Well Drilling Fluids, Well Completion Fluids, and
Production Fluids to Land

This statement is being submitted to the Los Angeles Regional Water Quality Control Board (LARWQCB) pursuant to Investigative Order No. R4-2015-0436 dated 12/18/2015. El Segundo Oil, LLC, or any subsidiary owned and/or operated within the oil field or fields operated by El Segundo Oil, LLC, has not discharged well drilling fluids, well completion fluids, and/or oil production fluids to land since El Segundo Oil, LLC has owned/operated their leases in DOGGR District One. El Segundo Oil, LLC has not created nor operated historic, active, temporary or long-term sumps (i.e., an open pit, pond, excavation, natural depression) since they have owned/operated their leases. Furthermore, it is not a common practice for El Segundo Oil, LLC to discharge fluids to an open pit, pond, excavation and/or natural depression.

Additionally, the following information and methodology for obtaining this information, is being submitted as part of this statement:

<u>Description of Disposal Methods and Destinations:</u>

El Segundo Oil, LLC and/or its affiliates have not drilled any wells since they have owned and/or operated within the oil field(s) operated by El Segundo Oil, LLC.

Produced water generated as a part of lease oil production is discharged to a POTW (Publically Owned Treatment Works). The volume of produced water for El Segundo Oil, LLC operations has averaged approximately 213,821 barrels per year since El Segundo Oil, LLC has owned the assets.

Crude oil produced by El Segundo Oil, LLC operations is sold with a custody transfer at the lease site. The oil is trucked offsite for delivery to a refinery by others (not by El Segundo Oil, LLC). The volume of crude oil produced by El Segundo Oil, LLC has averaged approximately 10,970 barrels per year since El Segundo Oil, LLC has owned the assets.

<u>Volumes of Fluids</u>: The volume of water and oil produced was based upon El Segundo Oil, LLC records as reported to the California Department of Conservation, Division of Oil, Gas and Geothermal Resources.

Lastly, I, Roger Vititow certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of the those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

Yours truly,

Roger Vititow President

El Segundo Oil